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TRADE AND DEVELOPMENT BOARD
Standing Committee on Commodities
Intergovernmental Group of Experts
on Tungsten
Second session
Geneva, 8 November 1993
Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS

I. PROVISIONAL AGENDA

1. Election of officers

2. Adoption of the agenda

3. Work towards improving market transparency:

   (a) Examination of statistics and review of the current market situation and medium and long-term outlook

   (b) Consideration of industry views on particular aspects of the tungsten industry

4. Consideration of ways, means and measures to improve the functioning and stability of the tungsten market through strengthened international co-operation between Governments and industries of producing and consuming countries

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5. Consideration of project proposals by Governments and industry which could be submitted for possible financing under the Second Account of the Common Fund for Commodities

6. Provisional agenda for the third session of the Intergovernmental Group of Experts

7. Other business

8. Adoption of the report of the Intergovernmental Group of Experts to the Standing Committee on Commodities.

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1: Election of officers

At the opening of the session, the Group should elect a Chairman and a Vice-Chairman-cum-Rapporteur. Chairmanship is normally rotated alternately between producing and consuming countries. In this respect, it is recalled that the first session of the Group was chaired by Mr. Esteban Orbegoso (Spain).

Item 2: Adoption of the agenda

The provisional agenda in section I was agreed by the Group at its first session (See annex II in TD/B/CN.1/7 - TD/B/CN.1/TUNGSTEN/5).

Item 3: Work towards improving market transparency

Considering that only three days have been scheduled for the session, it is proposed that consideration of this item start immediately after the adoption of the provisional agenda. Discussions on both sub-items 3(a) and 3(b) are expected to be terminated by the end of the first day of the session.

Item 3(a): Examination of statistics and review of the current market situation and medium and long-term outlook

In order to facilitate the examination of statistics, the secretariat will provide an advance copy of the UNCTAD annual bulletin Tungsten Statistics to all member States in advance of the session in accordance with the agreed deadline. At the opening of the session, supplementary statistics will be made available in the form of a quarterly bulletin, which will include the latest data received from Governments and industry so as to give an up-to-date situation before the discussion starts. The two documents will form the working papers for deliberations. The Group is expected to examine and, through its deliberations, to amplify and improve the available statistics, and thereby the transparency of the tungsten market. Efforts are needed from Group members to fill existing gaps in the statistics with actual or estimated figures, particularly concerning their respective countries.

With respect to the review of the current market situation and outlook, it is proposed that the Group of Experts should proceed as follows:

(a) Examination of the report prepared by the secretariat on the current world market situation and outlook for tungsten (TD/B/CN.1/TUNGSTEN/7);

(b) Presentation of national statements by Governments to review the current situation and outlook in national markets as well as the global market;

(c) Contributions by industry advisers to cover global or national market situation and outlook or both, and aspects influencing trends and developments in the tungsten market;

(d) Preparation of an assessment of the current situation and outlook for the international tungsten market, which will be included in the report of the Group.

Item 3(b): Consideration of industry views on particular aspects of the tungsten industry

Under this item, arrangements are being made to invite Mr. Yuri M. Gureev, Director General of Russian Company Volfram, to address the Group of Experts on Demand and Supply of Tungsten in Russia. This topic is of interest to the tungsten community, not only because the Russian Federation is a major tungsten consuming country and has large reserves of tungsten within its national boundaries, but also because of the economic and structural reform which could make the Russian Federation a major participant in the tungsten market in the future, and the fact that the tungsten industry in this country has undergone great changes recently.

It would be useful if the Group could suggest the topics for presentation by guest speakers at the next session.

Discussions under this sub-item are expected to be completed by the end of the first day of the session.

Item 4: Consideration of ways, means and measures to improve the functioning and stability of the tungsten market through strengthened international co-operation between Governments and industries of producing and consuming countries

This item is intended as a follow-up to the discussions under item 3. The discussion is expected to determine the future work programme of the Group of Experts and the agenda for the third session of the Group. Consideration of this item will start in the morning of the second day of the session and should be concluded during the same morning.

Item 5: Consideration of project proposals by Governments and industry which could be submitted for possible financing under the Second Account of the Common Fund for Commodities

It may be recalled that, at the first session, the following decisions were taken by the Group of Experts:

"The Group decided to request the Secretary-General of UNCTAD to submit, on its behalf, to the Common Fund for Commodities project B entitled "Development of the rare earth doped cemented carbide and its mechanism research", in document TD/B/CN.1/TUNGSTEN/4, which the Group approved from the technical and market point of view and recommended for financing through the Second Account of the Common Fund, provided that no written statement to the contrary, with the reasons for the objection, had been received from any member of the Group by the Secretary-General of UNCTAD by 11 February 1993." (see TD/B/CN.1/TUNGSTEN/5, para.41).

The Group also "decided to request the Secretary-General of UNCTAD to submit, on its behalf, to the Common Fund for Commodities, the project entitled "Health and environmental effects testing of tungsten materials", in document TD/B/CN.1/TUNGSTEN/AC.3 and Add.1, which the Group approved from the technical and market point of view and recommended for financing through the Second Account of the Common Fund, provided that no written statement to the contrary, with the reasons for the objection, had been received from any member of the Group by the Secretary-General of UNCTAD by 11 February 1993." (see TD/B/CN.1/TUNGSTEN/5, para.43).

In the event, the Secretary-General of UNCTAD received subsequently two letters, one from the United Kingdom expressing objection to the first project mentioned above (submitted by China) and the other from China expressing objection on the second project mentioned above (submitted by ITIA). (For the information of the Group, the letters from the United Kingdom and from China were sent to the Permanent Missions of all the Member States of the Group). In both cases, the objection was basically that the project proposals did not fulfil the criteria for financing by the Second Account of the Common Fund for Commodities. In the light of the objections raised in the two letters, the Chairman convened an informal consultation with the members of the Group on 28 April 1993. Following this consultation, he wrote a letter to the Managing Director of the Common Fund for Commodities asking the advice the Common Fund secretariat to advise on whether the two project proposals meet with the objectives set for the Second Account of the Common Fund. At the time of writing, no reply had been received from the Common Fund secretariat to the request made by the Chairman.

In the light of this situation, the Group of Experts may wish to consider possible solutions to the issues raised in the two letters.

The Group may also wish to consider further the two other project proposals submitted by China, which were discussed at previous sessions.

Deliberations on this item are expected to start and be completed in the morning of the second day of the session.

Item 6: Provisional agenda for the third session of the Group

In the light of discussions at this session, the Group may wish to consider the provisional agenda for its third session.